

ECONOMIC DEVELOPMENT COMMITTEE

DATE: April 21, 2010

CALLED TO ORDER: 5:34 p.m.

ADJOURNED: 7:41 p.m.

ATTENDANCE

ATTENDING MEMBERS

Jeff Cardwell, Chair
Jose Evans
Barbara Malone
Doris Minton-McNeill
Mary Moriarty Adams
Ryan Vaughn

ABSENT MEMBERS

Michael McQuillen

AGENDA

PROPOSAL NO. 3, 2010 - re-nominates David Oeth to the Speedway Economic Development Commission
"Do Pass" Vote: 6-0

PROPOSAL NO. 33, 2010 - appoints Michael Halstead to the Indianapolis City Market Corporation Board of Directors
"Do Pass" Vote: 6-0

PROPOSAL NO. 116, 2010 - approves the Mayor's appointment of Michael Huber as Deputy Mayor for Economic Development
"Do Pass" Vote: 5-1

Presentation on proposal to transfer the water and wastewater systems to Citizens Energy Group – Chris Cotterill, Chief of Staff, Mayor's Office and Carey Lykins, President and CEO of Citizens Energy Group

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Wednesday, April 21, 2010. Chair Jeff Cardwell called the meeting to order at 5:34 p.m. with the following members present: Jose Evans, Barbara Malone, Doris Minton-McNeill, Mary Moriarty Adams and Ryan Vaughn. Absent was Michael McQuillen.

PROPOSAL NO. 3, 2010 - re-nominates David Oeth to the Speedway Economic Development Commission

Mr. Oeth stated that he was born and raised in Speedway and that he and his wife have lived at their current address for many years and have raised three children. He said that he worked for Allison Gas Turbine for 42 years, retiring in 2002. Mr. Oeth stated that working at Allison Gas Turbine and being involved with the Speedway Christian Church and various other organizations has given him the experience to serve on this board. He said that he is interested in Speedway staying the way it is and he would like to help in any way he can. Mr. Oeth stated that the main thing for speedway is to support the renovation of the town and bring in new business and investments. He said that the redevelopment has started with construction on Main Street and it will help bring new business to the town. He said that he hopes to be reappointed to the Commission.

Larry Vaughn, citizen, asked if Mr. Oeth considers selling utilities a part of economic development for a city or town. Mr. Oeth stated that whatever needs to be done to improve the economic situation for a city or town is something that needs to be considered. Mr. Vaughn asked how someone can be certain that their business will not fail and the labor and tax dollars will not have been spent in vain. He asked if bringing businesses in through some kind of bait or bribe would be a dangerous path to take. Chair Cardwell stated that he does not know that the city has taken any baits or bribes. Mr. Vaughn asked if when new businesses are brought in and let them have tax abatements for ten years and rest on the tax rolls, is that economic development. Chair Cardwell answered in the affirmative.

Councillor Vaughn moved, seconded by Councillor Moriarty Adams, to send Proposal No. 3, 2010 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 33, 2010 - appoints Michael Halstead to the Indianapolis City Market Corporation Board of Directors

Mr. Halstead stated that he has an architectural firm in Fountain Square. He said that he moved to Indianapolis in 1987, after graduating from Ball State University. Mr. Halstead stated that he has been a great fan of the City Market. He said that he has served on the City Market Foundation Board for the last four years and has spent a lot of time at the Market hoping to make as many improvements as possible. Mr. Halstead stated that he is looking forward to serving the Market any way that he can. Chair Cardwell asked if

Mr. Halstead has been made aware of the meeting schedule. Mr. Halstead stated that he has attended the last two board meetings as a public participant. He said that he has been meeting with the fundraising and development committee every Tuesday morning at Wayne Schmidt's office and is hoping to become the chair of the fundraising committee. Councillor Vaughn asked what the greatest challenge is that the Market is facing currently and in the future. Mr. Halstead stated that right now, the vendor mix is the wrong mix at the Market. He said that it needs to be fresh foods. He said that the Board has been working on getting new vendors, consolidating the vendors inside the main hall, and looking at other uses for the east and west wings. Mr. Halstead stated that they need to maintain the historic quality of the old hall first and foremost. He said that the Market is right downtown next to the cultural trail and they should capitalize on that. The Market does not have any beer or wine vendors and he thinks it will help the stand owners attract the younger crowd, especially on the weekends. Mr. Halstead said that the interior needs to be more colorful and alive inside.

Larry Vaughn, citizen, stated that downtown Indianapolis has enough alcoholic establishments and it will not be wise to turn the Market into another bar.

Councillor Vaughn moved, seconded by Councillor Moriarty Adams, to send Proposal No. 33, 2010 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

PROPOSAL NO. 116, 2010 - approves the Mayor's appointment of Michael Huber as Deputy Mayor for Economic Development

Mr. Huber stated that he has served as Director of Enterprise Development. He said that his job is to run the Mayor's performance management tool called IndyStat, which involves the Mayor's monthly review, detailed analysis and publishing of the City's financial and performance data.

Mr. Huber stated that he is succeeding Nick Weber, who has worked very hard in the last two years to try and create and retain jobs in Marion County. Mr. Huber discussed some detailed information about Mayor Gregory Ballard's Vision. Some key points include:

Mayor Ballard's Vision

- High quality of life and affordable cost of living
- Excellent educational institutions in Indianapolis and Central Indiana
- Indianapolis' active charitable and non-profit sector provides opportunities for civic engagement
- Create more jobs at a faster pace
 - Assist companies that are creating jobs
 - Retain companies
 - Attract new companies
 - Assist companies with infrastructure needs

- Demonstrate outstanding customer service and speed on permitting, zoning and other issues impacting businesses
- Identify other support needs and Federal and State dollars for businesses

Recent Projects

- BC Forward created 200 new jobs and retained 276 jobs
- Apparatus created 130 new jobs and retained 73 jobs
- Comlux created 400 jobs and retained 80 jobs
- USA Football created 20 new jobs

Mr. Huber stated that in the next year, Mayor Ballard's Administration will do their best to invest proceeds from the proposed utility transfer in a manner that rebuilds neighborhoods and spurs business growth, creates new construction jobs in Indianapolis (\$425 million equals 10,000 –plus potential new jobs), develops local and Minority Business Enterprise/Women Business Enterprise (MW/BE) businesses by maximizing their roles on infrastructure projects, and developing strategic areas of the City where jobs are expanding (life sciences corridor, Northwest side Tech corridor) and should be expanding.

Mr. Huber stated that the mission given to him by Mayor Ballard is to facilitate the creation and retention of jobs, invest infrastructure capital strategically with long-term jobs creation, work with the Office of Educational Innovation (OEI) to create more high-quality education options for children, and continue to improve the City's speed and customer service in helping businesses.

Councillor Vaughn asked if Mr. Huber could identify one major hurdle or challenge for Marion County in its effort to attract and retain new business, what it would be. Mr. Huber stated that it would be that too many highly educated people are leaving Indianapolis for other opportunities. He said that investing in some of the areas like the Tech corridor would keep that talent in Indiana.

Councillor Minton-McNeill asked if Mr. Weber is still employed with the City. Mr. Huber answered in the negative. Councillor Minton-McNeill stated that in previous conversations with Mr. Weber, they discussed youth employment. She asked if Mr. Huber will continue to follow up with that. Mr. Huber answered in the affirmative, stating that they just announced the Indianapolis Private Industry Council (IPIC) Youth Works Program will create many high-quality paying jobs for youth in Indianapolis. He said that the target is youth between 18 and 22 years old. Councillor Minton-McNeill asked if there will be any work over the summer for 16 year olds. Mr. Huber stated that IPIC has some programs for that age group and students who are vulnerable at dropping out of high school. He said that he is still getting caught up to speed with the different programs offered in the area of Workforce Development and will be happy to talk with Councillor Minton-McNeill as he becomes more familiar with the programs.

Councillor Minton-McNeill asked if for some reason the transfer of the utility company does not happen, what the Mayor's office will do. Mr. Huber stated that if the transfer does not go through, they will look for other ways to free up infrastructure capital. He said that the city does have financial incentives like tax abatements and other financial tools designed to facilitate the expansion of companies. Mr. Huber stated that the city will still need capital that is devoted toward reacting fast, because Indianapolis is in competition with other cities and more so than money, the factor is speed.

Councillor Evans stated that he has done research on the things that Mr. Huber has done as the Director of Enterprise Development, and feels that, Mr. Huber is just another Steve Goldsmith in terms of wanting to privatize everything. He stated that because of that and other things he has done as the Director of Enterprise Development, he will vote against the proposal. Mr. Huber stated that although they have not agreed on everything, he respects Councillor Evans' opinion. He said that they are asking people to see that what they are proposing is not a privatization, but actually a public partnership. He stated that he is sorry that he could not win Councillor Evans' support, but he still looks forward to working with him.

Mr. Vaughn stated that Mr. Huber is claiming that on the transfer of the water company, there will be 10,000 jobs. He asked if Mr. Huber could guarantee the employment performance of a private corporation. Mr. Vaughn asked if there will actually be \$460 million at the table for the waterworks deal or if it will just be the \$100 million that this corporation borrowed and brings to the table with them. He asked if their fees will be deducted from the \$100 million, which could result in only \$70 million being transferred. Chair Cardwell stated that some of Mr. Vaughn's questions will be addressed during the presentation portion of the committee meeting. He asked if Mr. Huber could address Mr. Vaughn's question about the 10,000 jobs. Mr. Huber stated that the 10,000 jobs are benchmarked, and that information is from the Federal Government Department of Transportation and they hope that number is accurate. The proceeds from the proposed utility transfer, if approved by the Council, will go to critical infrastructure and there will be hundreds of construction projects in the next few years. Mr. Huber stated that these proceeds are being used to build up local firms and companies and give them more opportunities than they would otherwise have had in the next couple of years. He said that this would be a huge job creator for Indianapolis.

Councillor Minton-McNeill stated that Mr. Huber was involved with a proposal for the selling of the parks. She asked what the thinking was behind that. Mr. Huber stated that it is not accurate to say that they were involved with the sale of the parks. He said that they have been active in trying to figure out higher and better uses for city real estate. Some remarks made by the Mayor and others were misconstrued as a campaign to sell the parks. He said that they have not sold any parks in the last couple of years. Mr. Huber stated that they have increased their partnerships with a lot of organizations that have helped them use city real estate at a higher and better use. Councillor Minton-McNeill asked if there are any plans to sell any of the parks in future. Mr. Huber stated that this is not an issue that they are pursuing right now.

Councillor Moriarty Adams moved, seconded by Councillor Malone, to send Proposal No. 116, 2010 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 5-1, with Councillor Evans casting the negative vote.

Presentation on proposal to transfer the water and wastewater systems to Citizens Energy Group – Chris Cotterill, Chief of Staff, Mayor’s Office and Carey Lykins, President and CEO of Citizens Energy Group

The Presentation portion of this meeting will be distributed at a later date

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Respectfully Submitted

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Jeff Cardwell, Chair